

Message Text

CONFIDENTIAL

PAGE 01 MANILA 19306 01 OF 02 131044Z
ACTION EA-09

INFO OCT-01 ISO-00 OMB-01 ACDA-07 MC-02 SAJ-01 COME-00
TRSE-00 XMB-02 AID-05 CIAE-00 NSAE-00 NSCE-00 SSO-00
USIE-00 INRE-00 PM-04 H-01 INR-07 L-03 NSC-05 PA-01
PRS-01 SP-02 SS-15 /067 W
----- 107753 /20

O R 130912Z DEC 76
FM AMEMBASSY MANILA
TO SECSTATE WASHDC IMMEDIATE 3876
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY SINGAPORE
CINCPAC
13TH AFBCLARK
CINCPACREPPHIL
SECDEF WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 MANILA 19306

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: MARR, PFOR, RP, US
SUBJECT: PRESIDENT MARCOS ON BASE NEGOTIATIONS

BEGIN SUMMARY: IN MAJOR FOREIGN POLICY ADDRESS DEC 11, MARCOS SAID PROGRESS IN BASE TALKS HAD BEEN ENCOURAGING, BUT EXPRESSED CONCERN AT MISINTERPRETATION OF GOP POSITION IN NEGOTIATIONS AND DEVELOPMENTS WHICH HAVE "INTRODUCED NEW DIFFICULTIES FOR THE GWO GOVERNMENTS." HE SINGLED OUT NY REPORT GOP HAD ASKED FOR BILLION DOLLARS IN MILITARY AND ECONOMIC AID IN EXCHANGE FOR CONTINUED US SUE OF MILITARY BASES. MARCOS SAID RE-DIRECTION OF GOP FOREIGN POLICY "IN NO WAY CONNOTES THE SEVERENCE OF TIME-TESTED FREIDNSHIP BETWEEN THE PHILIPPINES AND THE UNITED STATES." PRESIDENT STRESSED GOP BELIEF US PRESENCE IN WESTERN PACIFIC NECESSARY FOR REGIONAL PEACE AND STABILITY AND THAT THIS VIEW SHARED BY OTHER NATIONS IN ASIA. MARCOS REITERATED PHILIPPINE SOVEREIGNTY OVER BASES NOT NEGOTIABLE, BUT THIS SHOULD NOT "PREJUDICE THE EFFECTIVE USE OF FACILITIES BY THE US IN ANY GIVEN SITUA-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 19306 01 OF 02 131044Z

TION THREATENING PEACE IN SOUTHEAST ASEA." PRESIDENT

CONTENDED THERE HAD BEEN NO AGREEMENT IN NEGOTIATIONS ON MANY QUESTIONS "INCLUDING MANNER AND NATURE OF PAYMENT OF RENTALS" AND THAT THESE SHOULD AWAIT REVIEW BY NEW US ADMINISTRATION, ALTHOUGH MARCOS ENVISAGED "NO SUBSTANTIAL CHANGE" IN PRESIDENT-ELECT'S POLICY TOWARD ASIA. MARCOS SEEMED TO BE ASSURING HIS AUDIENCE THAT RESOLUTION OF BASES NEGOTIATIONS SATISFACTORY TO US AND GOP POSSIBLE UNDER NEW CARTER ADMINISTRATION. HIS EXPLICIT EMPHASIS ON MIXTURE OF ASSISTANCE AND RENTAL FOR BASES WAS NEW. IT REMAINS TO BE SEEN HOW FAR GOP PREPARED TO PUSH RENTAL CONCEPT WHEN NEGOTIATIONS RESUME. END SUMMARY.

1. PRESIDENT MARCOS MADE MAJOR FOREIGN POLICY ADDRESS TO UNIVERSITY OF PHILIPPINES ALUMNI ASSOCIATION EVENING DEC 11. SPEECH WAS BILLED AS GENERAL REVIEW OF PHILIPPINE FOREIGN POLICY, BUT MOST IF IT WAS DEVOTED TO US-GOP RELATIONS, ESPECIALLY BASE NEGOTIATIONS. MARCOS SAID GOP WAS "REVIEWING AND REASSESSING" NOT ONLY MILITARY BASES AGREEMENT, BUT MILITARY ASSISTANCE AND MUTUAL DEFENSE AGREEMENTS. UNDERLYING NEGOTIATIONS WAS GOP CONCERN FOR "ITS SOVEREIGN STATUS." PRESIDENT THEN REVIEWED HISTORY OF AGREEMENTS WITH US ALONG STANDARD NATIONALIST LINES SUGGESTING THAT THEY HAD "EFFECTIVELY DIMINISHED SOME OF OUR SOVEREIGN RIGHTS," ALTHOUGH HE EXPRESSED UNDERSTANDING WHY THIS HAD BEEN NECESSARY.

2. AFTER CATALOGING "FUNDAMENTAL GUIDEPOSTS" IN GOP'S CONDUCT OF FOREIGN RELATIONS IN WHICH REORIENTATION OF TRADE AS WELL AS SECURITY RELATIONS WITH US" COMES SIXTH, MARCOS EXPLAINED THAT REDIRECTION AND REORIENTATION OF FOREIGN POLICY FOCUSES PRIMARILY ON TIES WITH US. HE STATED "THIS REDIRECTION AND ASSERTION OF A POSTURE OF INDEPENDENCE IN NO WAY CONNOTES THE SEVEREANCE OF TIME-TESTED FRIENDSHIP BETWEEN THE PHILIPPINES AND THE UNITED STATES." PRESIDENT SAID THAT "FOR THE MOST PART PROGRESS IN THE TALKS HAS BEEN ENCOURAGING," BUT EXPRESSED CONCERN AS MISINTERPRETATION OF GOP POSITION AND "CERTAIN DEVELOPMENTS WHICH HAVE INTRODUCED NEW DIFFICULTIES IN TALKS." ALLUDING TO RECENT NY REPORT (STATE 296271), PRESIDENT COMMENTED FACT THAT US STATE DEPARTMENT SOURCES QUOTED CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 19306 01 OF 02 131044Z

IN STORY "DOES NOT HELP TO CALM OUR ANXIETY ON THE SUBJECT." PRESIDENT SAID PRESS ACCOUNT DISTORTED THE SPIRIT IN WHICH GOP APPROACHED NEGOTIATIONS AND "DEPICTS US AS ASKING BLOOD MONEY FROM THE US IN EXCHANGE FOR USE OF THE BASES." MARCOS AID NY STORY ALSO CONVEYED IMPRESSION GOP HAD ACCEPTED AN OFFER WHICH HAD NOT BEEN IN FACT ACCEPTED AND IMPUGNS GOP MOTIVES FOR SEEKING READJUSTMENT OF TREATIES AND AGREEMENTS. TO CLEAR UP

THIS MISUNDERSTANDING, MARCOS THEN EXPLAINED WHHL
PHILIPPINES HAS INSISTED ON "RENT PAYMENT IN THE EVENT OF
CONTINUED OR TEMPORARY CONTINUED USE OF BASES BY US
GOVERNMENT.

3. ACCORDING TO MARCOS, THE MILITARY ASSISTANCE AGREE-
MENT WAS INTENDED TO BUILD UP PHILIPPINE DEFENSE CAPABILITY
BUT THE PROVISIONS OF THE AGREEMENT WERE NEVER FULLY
IMPLEMENTED AND GOP WAS DENIED WHAT IT WAS PROMISED AND
PREVENTED FROM EXPLOITING OTHER SOURCES FOR ITS DEFENSE
NEEDS. "MILITARY AID, WHEN IT CAME, WAS INSUFFICIENT AND
LIMITED. INSTEAD WE WERE UNJUSTLY MADE TO APPEAR AS
BEGGING IF NOT EXTORTING WHAT HAD BEEN COMMITTED UNDER THE
AGREEMENT AS A CONSIDERATION FOR ANOTHER MILITARY AGREE-
MENT." IN SAME WAY US MILITARY ASSISTANCE FELL FAR SHORT
OF PROVISIONS OF ASSISTANCE AGREEMENT. US RESPONSIBILITY
UNDER MUTUAL DEFENSE AGREEMENT HAD BEEN
"PROGRESSIVELY DILUTED" BY SPECIFIC POLICIES OF
SUCCESSIVE AMERICAN ADMINISTRATIONS. THIS PROMPTED
PHILIPPINES TO SHORE UP ITS OWN
DEFENSES AND EVOLVE A SELF-RELIANCE DEFENSE PROGRAMM

4. DESPITE SELF-RELIANCE, MARCOS ADMITTED THAT GOP
MAINTAINS THAT "PERHAPS, FOR THE MOMENT, AMERICAN
PRESENCE IN THE WESTERN PACIFIC IS NECESSARY FOR THE

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MANILA 19306 02 OF 02 131103Z
ACTION EA-09

INFO OCT-01 ISO-00 OMB-01 ACDA-07 MC-02 SAJ-01 EB-07
COME-00 TRSE-00 XMB-02 AID-05 CIAE-00 NSAE-00 NSCE-00
SSO-00 USIE-00 INRE-00 PM-04 H-01 INR-07 L-03 NSC-05
PA-01 PRS-01 SP-02 SS-15 /074 W
----- 107874 /12

O R 130912Z DEC 76
FM AMEMBASSY MANILA
TO SECSTATE WASHDC IMMEDIATE 3877
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY SINGAPORE
CINCPAC
13TH AFBCLARK
CINCPACREPPHIL

SECDEF WASHDC

C O N F I D E N T I A L SECTION 2 OF 2 MANILA 19306

CINCPAC FOR POLAD

MAINTENANCE OF REGIONAL PEACE AND STABILITY. IN THIS, WE ARE JOINED BY OTHER STATES AND LEADERS IN ASIA. AND FOR THIS REASON WE BELIEVE THAT THE MILITARY BASES, WHATEVER WE MAY ALLOT TO THEM IN THE WAY OF MILITARY FACILITIES, HAVE A DEFINITE ROLE TO PLAY IN THE EMERGING EQUILIBRIUM OF POWER IN SOUTHEAST ASIA OR FOR THAT MATTER IN ASIA AND THROUGHOUT THE WORLD." DESPITE THE PRESENT NEED FOR THE BASES, HOWEVER, THEY "CANNOT REMAIN ON THE SAME TERMS AS THOSE ORIGINALLY OBTAINED WHEN THE AGREEMENT WAS WRITTEN." "SOVEREIGNTY OVER THE BASES MUST BE OURS AND OURS ALONE AND THIS IS NOT NEGOTIABLE." NEVERTHELESS, EXERCISE OF THIS SOVEREIGNTY "SHOULD IN NO WAY PREJUDICE THE EFFECTIVE USE OF THESE FACILITIES BY THE UNITED STATES IN ANY GIVEN SITUATION THREATENING THE PEACE IN SOUTHEAST ASIA."

5. MARCOS SAID THE GOP CONSIDERS THAT THE "MINIMUM REQUIREMENT AND STANDARD OF JUSTICE" IS THAT THE US "RESUME" ITS ORIGINAL OBLIGATIONS UNDER THE CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 19306 02 OF 02 131103Z

MILITARY ASSISTANCE PACT, AS WELL AS PAY RENTALS, WHICH ARE CRUCIAL TO BUILDING THE SELF-RELIANCE SECURITY CAPACITY ON THE PART OF THE PHILIPPINES. THIS SELF-RELIANCE POSTURE IS IMPORTANT NOT ONLY TO THE GOP BUT TO THE US AND ASIA. MARCOS THEN EMPHASIZED NEED OF SELF-RELIANCE IN VIEW OF US "INABILITY TO BECOME INVOLVED DURING HEIGHT OF FIGHTING IN MINDANAO WHEN THERE WAS MASSIVE INFILTRATION OF MATERIAL AND MEN FROM OUTSIDE OF PHILIPPINES."

MARCOS ADMITTED GOP HAD NOT INVOKED MUTUAL DEFENSE AGREEMENT BUT SAID EVEN IF IT HAD, US WAS PROBABLY UNABLE ACCELERATE OR EXPEDITE DELIVERIES OF WAR MATERIAL ALREADY COMMITTED UNDER MUTUAL DEFENSE PACT. MARCOS ADDED THAT BY BEING ABLE TO PROTECT THEMSELVES THE PHILIPPINES WILL "PROTECT THE MILITARY BASES FACILITIES WHICH WILL BE PLACED AT THE DISPOSAL OF THE UNITED STATES."

6. PRESIDENT EMPHASIZED THAT WHILE ALL THE FOREGOING ISSUES HAVE BEEN EXPLORED IN THE NEGOTIATIONS, THERE HAS BEEN NO REPEAT NO AGREEMENT. "AND THE MANNER AND NATURE OF PAYMENT OF RENTALS HAVE NOT YET BEEN AGREED UPON." SIMILARLY, AGREEMENT STILL PENDING ON SUCH OUT-

STANDING ISSUES AS POWERS OF THE FILIPINO COMMANDER, JURISDICTION OVER OFFENSES, THE KIND OF WEAPONS TO BE ALLOWED IN THE BASES, ETC. THESE QUESTIONS MUST WAIT UPON THE "REVIEW AND CONSIDERATION OF NEW ADMINISTRATION. FROM WHAT HE HAS SEEN AND HEARD OF PRESIDENT-ELECT CARTER'S VIEWS ON ASIA, MARCOS SEES "NO SUBSTANTIAL CHANGE IN POLICY" AND EXPECTS THAT THE UNITED STATES WILL TRY TO INCREASINGLY ANCHOR ITS RELATIONS WITH ASIA AND GOP "ON MUTUAL TRUST, RESPECT AND EQUALITY."

7. COMMENT: MARCOS' SPEECH IS A SKILLFUL, MODERATE PRESENTATION OF CURRENT GOP VIEWS ON STATUS OF BASE NEGOTIATIONS WHICH BARELY BETRAYS HIS IRE AT ROMULO'S RECENT MALADROITNESS IN MEXICO CITY. AS HE HAS ON PREVIOUS OCCASIONS, PRESIDENT BEGINS BY REASSURING HIS AUDIENCE THAT CURRENT GOP FOREIGN POLICY WILL NOT ADVERSELY AFFECT GOP'S "TIME-TESTED" FRIENDSHIP WITH THE US. AFTER THIS RITUAL REASSURANCE, HE REHERSES PECULIAR CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 19306 02 OF 02 131103Z

CIRCUMSTANCES WHICH MADE MILITARY AGREEMENTS WITH US NECESSARY. HE CONCLUDES THAT, LIKE IT OR NOT, BASES REMAIN A GIVEN IN PHILIPPINES' AND REGION'S SECURITY EQUATION, AS WELL AS CONTRIBUTE TO EQUILIBRIUM OF POWER IN SEA AND THROUGHOUT THE WORLD. PRESIDENT EMPHASIZES THAT OTHER NATIONS IN AREA FEEL EXACTLY SAME WAY. NEVERTHELESS CHANGES IN PRESENT ARRANGEMENTS ARE ESSENTIAL.

8. ONE AREA OF CHANGE FALLS UNDER RUBRIC OF SOVEREIGNTY AND ITS APPURTENANCES ALTHOUGH PRESIDENT ASSURES GOP'S EXERCISE OF SOVEREIGNTY WILL NOT INTERFERE WITH US' EFFECTIVE USE OF BASES. OTHER AREA OF CHANGE FALLS UNDER LESS EDIFYING RUBRIC OF CBCPENSATION US OFFERS FOR BASES. PRESIDENT ARGUES US MILITARY ASSISTANCE HAS FAILED TO MATCH LEVEL GOP CONSIDERS APPROPRIATE FOR USE OF BASES. IT IS NOW UP TO US TO NOT ONLY "RESUME ITS ORIGINAL OBLIGATIONS" BUT ALSO TO "PAY JUST RENTALS" FOR THE FACILITIES WE WILL USE HERE. MARCOS DISCERNS PROGRESS IN TALKS SO FAR BUT MAINTAINS IMPORTANT ISSUES STILL MUST BE RESOLVED. THESE ARE BETTER LEFT TO A NEW US ADMINISTRATION. FROM WHAT HE HAS "SEEN AND HEARD OF PRESIDENT-ELECT CARTER'S VIEWS OF AMERICAN RELATIONS WITH ASIA," HOWEVER, PRESIDENT MARCOS "ANTICIPATES NO SUBSTANTIAL CHANGE IN POLICY. MARCOS MESSAGE SEEMS REASONABLY CLEAR. PROGRESS IN THE BASE TALKS SO FAR HAS BEEN ENCOURAGING. THE NYT ERRONEOUS REPORT OF AN AGREE-MENT WAS DISAGREEABLY CONFUSING BUT DOESN'T ESSENTIALLY CHANGE THINGS. THE CARTER ADMINISTRATION'S POLICY TOWARD ASIA WILL NOT BE DISSIMILAR TO THE FORD ADMINISTRATION'S. A FORTIORI A RESOLUTION OF THE BASE

NEGOTIATIONS MUTUALLY SATISFACTORY TO US AND GOP SHOULD
BE POSSIBLE. NEW ELEMENT IN SPEECH APPEARS TO BE
EMPHASIS ON RENTAL CONCEPT. IT IS POSSIBLE MARCOS MAY
FEEL NEW ADMINISTRATION AND CONGRESS MAY BE MORE
RECEPTIVE TO SUCH AN AGREEMENT BUT WE DOUBT HE HAS
THOUGHT THAT FAR AHEAD. HE MAY FEEL EMPHASIS ON RENTALS
WILL UNDO SOME OF THE DAMAGE HE FEELS GOP IMAGE HAS
SUSTAINED AS RESULT OF THE NYT STORY OF AN AGREE-
MENT. HOW FIRMLY, IF AT ALL, MARCOS IS WEDDED TO A MIX
OF RENTAL AND ASSISTANCE AS QUID FOR BASES HERE SHOULD
BECOME CLEARER WHEN NEGOTIATIONS RESUME.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MANILA 19306 02 OF 02 131103Z

9. TEXT OF SPEECH POUCHED EA/PHL.
SULLIVAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, SPEECHES, MILITARY BASES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANILA19306
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760458-0990
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761249/aaaabpvp.tel
Line Count: 297
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAY 2004 by ifshinsr>; APPROVED <22 SEP 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT MARCOS ON BASE NEGOTIATIONS BEGIN SUMMARY: IN MAJOR FOREIGN POLICY ADDRESS DEC 11, MARCOS SAID
PROGRESS IN BASE TALKS HAD BEEN ENCOURAGING
TAGS: MARR, PFOR, RP, US, (MARCOS, FERDINAND)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006